

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 92-340-C - ORDER NO. 92-890 ✓
OCTOBER 7, 1992

IN RE: Dial Page, Inc. - Application for)
Modification of Previous Order)
Authorizing the Issue and Sale of) ORDER
Securities Including Common Stock)
and Notes.)

Dial Page, Inc. (the Applicant) comes before the Public Service Commission of South Carolina (the Commission) for modification of the Commission's previous Order authorizing the Applicant to issue and sell securities including common stock and notes. This Commission, in Order No. 92-522, Docket No. 92-340-C, dated July 8, 1992, authorized the Applicant to issue 5,000,000 shares of its common stock to Dial Page, L.P. in exchange for all the assets of Dial Page, L.P. Order No. 92-522 also authorized the Applicant to offer and sell up to 2,800,000 shares of its common stock to the public through a fully-registered public stock offering, and to issue promissory notes totaling \$85,000,000 to Canadian Imperial Bank of Commerce and other lenders. Conditions in the stock market in July and August caused the Applicant to delay the planned public stock offering. The Applicant has revised the proposed public stock offering and debt refinancing previously approved by this Commission as follows:

(1) The Applicant will register up to 1,800,000 shares of its common stock for offer and sale to the public.

(2) The Applicant will register up to \$75,000,000 in Senior Notes due 2002 for offer and sale to the public through a fully registered public offering.

(3) The Applicant will enter into a revolving credit agreement with Canadian Imperial Bank of Commerce, allowing the Applicant to borrow up to \$25,000,000 for working capital and to fund acquisitions.

The Applicant has requested the Commission to modify Order No. 92-522 to authorize the issuance of the securities, including the common stock, Senior Notes due 2002, and the promissory note allowing the Applicant to borrow up to \$25,000,000 under the revolving credit agreement, as an alternative to the issuance of the promissory notes aggregating \$85,000,000 to Canadian Imperial Bank of Commerce.

Review of the Application filed by the Applicant to request modification of Order No. 92-522 clearly shows that the revisions to the Applicant's original plan approved in Order No. 92-522 change only the source of the funds to be raised. The Applicant proposes to use the funds raised from public sale of the 1,800,000 shares of common stock and the Senior Notes due 2002 to prepay assumed debt due the Providence Journal Company and Canadian Imperial Bank of Commerce. The uses of the funds to be raised and

the purpose for which the securities are to be issued, are the same in all material respects to the uses and purpose as approved by this Commission in Order No. 92-522.

The Applicant has filed as exhibits to the Application for Modification of Order No. 92-522 a preliminary prospectus for a public offering of up to 1,800,000 shares of its common stock and a preliminary prospectus for the public offer of the Senior Notes due 2002. The "Use of Proceeds" section appearing on page 13 of the stock offering preliminary prospectus discloses the Applicant has alternative plans for the use of proceeds, based on whether the proposed offering of the Senior Notes due 2002 is successful.

These alternatives may be summarized as follows:

(1) If the offer and sale of the Senior Notes is successful, the Applicant will issue the Senior Notes and execute the \$25,000,000 revolving credit agreement, using the funds raised in the stock and Senior Notes due 2002 offerings to prepay in full debt due Canadian Imperial Bank of Commerce and the Providence Journal Company. The \$25,000,000 revolving credit agreement will be executed and funded only if the Senior Notes due 2002 offering is completed.

(2) If the offer and sale of the Senior Notes is not consummated, the Applicant proposes to use the proceeds of the public stock offering to prepay a

portion of the assumed debt due Canadian Imperial Bank of Commerce and the Providence Journal Company, and for working capital and acquisitions.

The Commission recognizes that the Applicant will need flexibility, within the confines of the description of the alternatives as stated in the Applications and exhibits submitted to the Commission. The Commission approved the issuance of the Applicant's promissory note to Canadian Imperial Bank of Commerce in the aggregate amount of \$85,000,000 in Order No. 92-522. The Commission believes the alternatives of issuing the Senior Notes due 2002, or the Applicant's issue of the \$85,000,000 promissory notes are essentially equivalent in economic terms.

CONCLUSIONS OF LAW

1. The issuance and sale of the Senior Notes due 2002, and the issuance of the promissory note pursuant to the \$25,000,000 revolving credit agreement as an alternative to the issuance of promissory notes to Canadian Imperial Bank of Commerce in the aggregate amount of \$85,000,000, will be compatible with the public interest, will be necessary and appropriate for, and consistent with, the proper performance by Applicant of its service to the public as a utility, will not impair its ability to perform that service, will be reasonably necessary and appropriate for such purpose, and will be in the public interest.

2. Approval of the Application to modify Order No. 92-522 does not bind the Commission as to the ratemaking treatment of the issuance of the common stock, the Senior Notes due 2002, or the \$25,000,000 revolving credit note.

3. This Order shall not, in any way, affect or limit the right, duty or jurisdiction of the Commission to further investigate and order revisions, modifications or changes with respect to any provision of Order No. 92-522 or this Order in accordance with the law.

4. This Order, together with Order No. 92-522, shall be deemed the Certificate of Authority described in §58-11-240, S.C. Code Ann. (1976), as amended.

5. This Order is contingent upon approval by the Securities and Exchange Commission of the Applicant's submitted S-1 forms.

IT IS THEREFORE ORDERED:

1. That Dial Page, Inc. be and it is hereby authorized and empowered to issue and sell securities (Common Stock, the Senior Notes due 2002, and the \$25,000,000 revolving credit note), all as described in this Application; or, in the alternative, to issue and sell the Common Stock and the promissory notes as approved in Order No. 92-522.

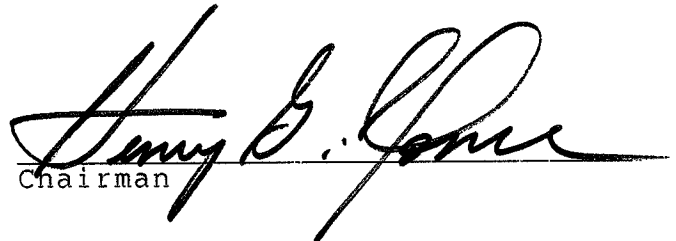
2. Approval of this Application does not bind the Commission as to the ratemaking treatment of this issuance.

3. This Order shall not, in any way, affect or limit the right, duty or jurisdiction of the Commission to investigate and order revisions, modifications or changes with respect to any provision of this Order, or Order No. 92-522 in accordance with the law.

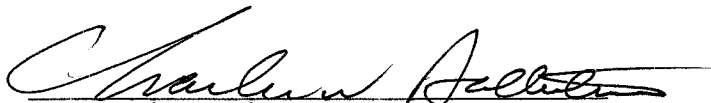
4. This Order is contingent upon approval by the Securities and Exchange Commission of the Applicant's submitted S-1 forms.

5. This Order shall be effective upon issuance and shall remain in full force and effect until further Orders of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)